

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

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|                              |   |                         |
|------------------------------|---|-------------------------|
| United States of America,    | ) |                         |
|                              | ) | File Nos.               |
| Plaintiff,                   | ) | 17CR107(1) (4) (5) (16) |
|                              | ) | (20)                    |
|                              | ) | (DWF/KMM)               |
| vs.                          | ) |                         |
|                              | ) |                         |
| Michael Morris, Pawinee      | ) | St. Paul, Minnesota     |
| Unpradit, Saowapha Thinram,  | ) | November 6, 2018        |
| Thoucharin Ruttanamongkongul | ) | 9:33 a.m.               |
| and Waralee Wanless,         | ) |                         |

Defendants.

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BEFORE THE HONORABLE DONOVAN W. FRANK AND A JURY  
UNITED STATES DISTRICT COURT JUDGE  
**(OPENING STATEMENT OF AUSA LAURA PROVINZINO)**

APPEARANCES

|   |  |
|---|--|
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| For Defendant Saowapha<br>Thinram:                | Paul C. Engh, ESQ.<br>200 South 6th Street<br>Suite 420<br>Minneapolis, MN 55402   |
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**P R O C E E D I N G S**

**IN OPEN COURT**

(Defendants present)

THE COURT: So with that in mind, if the Government's ready, we can begin, Ms. Provinzino, with your opening remarks.

MS. PROVINZINO: Thank you, Your Honor.

We're prepared to have the lights turned down whenever.

THE COURT: All right.

MS. PROVINZINO: They could not walk away. They were sold for sex day in, day out. Three, five, eight, ten men a day. For months on end. Hundreds of men. Dark, dirty and unsafe conditions. Again, and again, and again and again. And they could not walk away.

For a decade or more a criminal organization has existed in the United States. It existed here in Minnesota. It existed in cities across the country. Los Angeles, Austin, Dallas, Chicago. And it stretched across the ocean all the way to Thailand.

It was an organization that brought poor women from Thailand to the United State where the organization sold the women for sex. Every day, all day.

The organization controlled the victims through the use of massive bondage debts.

1           You see, when the women were recruited back in  
2           Thailand, they were told that they could come to the United  
3           States. That they could have the American Dream. That they  
4           could support their poor families back home, but that it  
5           would come at a cost. That the women would owe the  
6           organization an immense debt, somewhere between 40 and  
7           60,000 USD.

8           And once they got here, there were additional  
9           expenses added onto that debt.

10          The women could not leave until they paid back  
11          that bondage debt. For some women, this meant four, six or  
12          nine months. For some women it meant years. But no one  
13          could walk away.

14          Until they had been shipped around the United  
15          States, including to here in Minnesota. Until they had been  
16          advertised and sold like cattle. Until they had sex with  
17          hundreds of men. Until they paid their debts, they could  
18          not walk away.

19          And that, Members of the Jury, is the face of  
20          modern day sex trafficking. And it's why we're here today.

21          My name is Laura Provinzino, and I'm an Assistant  
22          United States Attorney.

23          I'm joined by Melinda Williams, an Assistant  
24          United States Attorney. Special Agent Tonya Price with  
25          Homeland Security Investigations. Special Agent John

1 Tschida with the Internal Revenue Service, their Criminal  
2 Investigations Division. And by a Senior Investigator  
3 Steven Baker with the Department of Justice's Money  
4 Laundering and Asset Recovery Section. Together, we  
5 represent the United States in this case.

6 Members of the Jury, this is a case about modern  
7 day sex trafficking.

8 It is about how a large international sex  
9 trafficking conspiracy operated for a decade or more here in  
10 the United States, making millions of dollars from human  
11 suffering.

12 And it's a case about the role these five  
13 Defendants standing before you played.

14 Michael Morris, Pawniee Unpradit, Saowapha Thinram  
15 Thoucharin Ruttanamongkongul and Waralee Wanless, the roles  
16 they played within the larger criminal organization.

17 For their participation in the criminal  
18 conspiracy, these five Defendants in this case are charged  
19 with a range of crimes.

20 Now you heard Judge Frank summarize those crimes  
21 earlier this morning, and he will instruct you on the law at  
22 the end of the case.

23 These crimes include the following charges:

24 For Counts 1 and 2, conspiracy to commit sex  
25 trafficking and sex trafficking.

1           For Count 3, conspiracy to commit transportation  
2           to engage in prostitution.

3           Count 4, conspiracy to commit money laundering.  
4           And Count 5 is a conspiracy to use a communication facility  
5           to promote prostitution.

6           What the Defendants did, what their organization  
7           did, was horrific. But it wasn't complicated. The  
8           organization bought and sold women.

9           The organization controlled these women through  
10          overwhelming bondage debts and then sold them again, and  
11          again and again, hundreds of times, for American men for  
12          sex. That's what they did.

13          Why did they do what they did? The why is also  
14          easy. Money. Human suffering is big business, at least the  
15          way the Defendants did it.

16          Every sex act, every abuse, every humiliation, it  
17          generated cold, hard cash, for the Defendants, for the  
18          organization.

19          But the how. How did the criminal conspiracy work  
20          so well? And for so long? Well, that's the longer story.

21          The story you'll hear during the course of this  
22          trial. And that story starts in Thailand.

23          Let me tell you a bit about Thailand. It's a  
24          country in Southeast Asia. It's a beautiful, but relatively  
25          poor country, particularly in the rural northeast.

1 And if you're born into poverty in Thailand,  
2 particularly if you're born a woman into poverty in  
3 Thailand, you have limited options.

4 The Defendants took advantage of that. This was a  
5 sex trafficking conspiracy. And the conspiracy took many  
6 steps to accomplish the goal. To bring Thai women to the  
7 United States and to sell their bodies for money.

8 These steps began way back in Thailand. And the  
9 first step, that's the recruitment.

10 The organization approached women in Thailand and  
11 told them exactly what they needed to hear. That they could  
12 bring them to the United States. That they had work here.  
13 That they could make money. And that they could make life  
14 better for their families.

15 Now you will hear from many victims of the  
16 organization. Most of these victims are native Thai  
17 speakers. They have varying degrees of ability to speak and  
18 understand English.

19 For many it will be hard to them to be here  
20 testifying before you.

21 For many they will be embarrassed. They will be  
22 ashamed. They have to recount their victimization. Some of  
23 their most deeply personal experiences at the hands of the  
24 organization, including the need to talk about sexual  
25 encounters for money. Some that were violent, some that

1 were painful. Many they would rather not have to remember  
2 much less to talk -- to have to talk to you about.

3 Each victim has their own unique story about how  
4 her recruitment happened and how she was victimized.

5 But you will hear some common and consistent  
6 themes.

7 Poverty. You will hear that the victims of the  
8 sex trafficking organization were usually from poor  
9 backgrounds.

10 They grew up in rural areas, often up north, where  
11 their parents were farmers or other types of laborers.

12 The victims did not have much education, typically  
13 dropping out before high school graduation.

14 As a result, the victims did not have good job  
15 prospects. And the victims had people financially depending  
16 on them. Their parents, and sometimes children.

17 You will learn that many of the victims were  
18 involved in commercial sex acts in Thailand or in nearby  
19 countries.

20 This included work in street prostitution, massage  
21 parlors, or more typically in karaoke bars or as escorts for  
22 Thai and international businessmen.

23 It is precisely because these women were both poor  
24 and already involved in commercial sex acts that they were  
25 sought after by the sex trafficking organization. They were



1 vulnerable and desperate. In short, perfect, compliant  
2 victims.

3 The promise of a better life. Many of these  
4 victims were desperate for a better life. A better life  
5 than they had in Thailand. For their families, for their  
6 children, and for themselves.

7 And the traffickers preyed on that desperation.  
8 The traffickers recruited the victims with promises of a  
9 better life. With the American Dream.

10 The women were told they could make a better life  
11 for themselves and their families.

12 But there was one catch. The bondage debt.

13 The traffickers told the women that once they got  
14 to the United States, they would have to pay a debt. A  
15 massive debt. \$40,000, \$50,000, \$60,000. More than many of  
16 these women could hope to make in Thailand in a decade, if  
17 not in her lifetime.

18 And to be clear, the amounts of these debts, well  
19 more amount a trafficker would have to pay for her Visa  
20 application and her travel costs, they were just made up.  
21 Huge sums assigned to the victims.

22 Now these bondage debts served two purposes.

23 First, to make money for the organization.

24 And second, to keep the victims compliant until  
25 they had paid off their debt.

1 As you might imagine, the traffickers were not  
2 incentivized to be truthful with the victims, and the  
3 bondage debts were often rife with fraud.

4 Many traffickers told the victims that the debt  
5 would be repaid quickly. That the work would be easy. The  
6 traffickers often left out critical information.

7 For example, while most victims knew they were  
8 coming to the United States to engage in some kind of  
9 commercial sex activities, they were usually not told that  
10 up to 40 percent of their commercial sex earnings, plus some  
11 other expenses, would go to the house boss.

12 Almost doubling the amount of time it would take  
13 for them to pay down their bondage debt.

14 The victims were often not told about the  
15 substantial number of customers they would have to see in a  
16 day, many more than they had to service in Thailand. Or  
17 that they would be living in the exact same place where they  
18 worked.

19 Some of the women were lied to. Some of the women  
20 were tricked.

21 As we'll talk about in a moment, some were  
22 threatened and some were abused.

23 But they all share one common thing, they could  
24 not walk away. They had to pay a debt.

25 Now during the course of this trial, you'll hear a

1 lot of different names for the debt. It was called bondage  
2 debt, the debt, the tax, the tac and the contract. It's all  
3 the same thing.

4 It's all the overwhelming amount of money that the  
5 victims would owe to the traffickers. The \$40,000 to  
6 \$60,000 or more. The amount of money the victims would have  
7 to pay off day by day, customer by customer.

8 The debt that bound the victims to the  
9 organization, the bondage debt.

10 The next step in the conspiracy, the Visa fraud.

11 So many of you may know, to get into the United  
12 States from certain countries, you need to obtain a Visa.

13 So after that initial stage of recruitment, which  
14 typically included the Thai traffickers meeting the victim  
15 in a large mall in Bangkok, sizing her up, and getting her  
16 identity documents and access to her bank accounts, the  
17 organization engaged in widespread Visa fraud. Visa fraud  
18 to get the victims to the United States.

19 Notably, at this point in the stages of the  
20 conspiracy, the organization knew everything about these  
21 victims.

22 They knew where she lived, who her family was and  
23 that she was desperate for a better life.

24 The traffickers helped the victims obtain Visas  
25 through fraud and false statements.

1           The victims applied for what's called a B1 or a B2  
2 Visa. More typically known as a tourist Visa, which would  
3 allow them to stay in the United States for up to six  
4 months.

5           In order to get one of these coveted tourist Visas  
6 to the United States, the traffickers in Thailand directed  
7 the victims to open bank accounts or to turn over their  
8 existing bank account to the trafficking organization.

9           Traffickers then funded these accounts to make it  
10 appear as if the victim had the financial means to make it  
11 more likely that her Visa application would be approved.

12           Traffickers completed the Visa application for the  
13 victim, which included many false statements. An  
14 application like this.

15           Traffickers created false backgrounds for the  
16 victims, including fictitious occupations. Their  
17 applications made it look like they had good jobs with good  
18 salaries. At times the victims were instructed to enter  
19 into fraudulent marriages, including with members of the  
20 Thai military.

21           The Visa application also included false  
22 statements in the form of a checking a 'no' box that the  
23 victim did not intend to engage in commercial sex acts or  
24 prostitution in the United States.

25           Once a Visa interview was scheduled at the U.S.

1 embassy, traffickers coached the victims on what to wear and  
2 what to say so they wouldn't raise any red flags and that  
3 they would ultimately get a Visa.

4 Now also on that Visa application, and in the  
5 materials the traffickers had from the victims, was the  
6 victim's family information.

7 You will hear that very few victims dared to run  
8 away. And part of that fear was the victims knew that the  
9 traffickers knew exactly where to find their family members  
10 in Thailand if the victim stepped out of line.

11 Now, you will hear that the victims themselves  
12 knowingly participated in the Visa fraud. And they have  
13 admitted it. You will hear them talk about all of the steps  
14 they did at the direction of the traffickers to get their  
15 tourist Visas.

16 So what was the next step in the sex trafficking  
17 conspiracy? The photos. Having the victims photographed.

18 After they had the Visas, and prior to  
19 transporting the victims to the United States, the  
20 organization typically arranged to have professional  
21 quality, escort-style photographs taken of the victims in  
22 lingerie and in various states of undress.

23 You will hear lots of mention of the Toilet  
24 Studio. That's the place in Thailand where these photos  
25 were taken. Photos like this.

1           Now I recognize that it will be difficult to see  
2           and hear some of the information that we'll be talking about  
3           over the course of this trial. You might be uncomfortable.  
4           We will work hard to limit your exposure, but this is the  
5           nature of the Defendants' crimes. And it is our job to  
6           prove their guilt to you.

7           To be clear, the black box that you see, that's  
8           something we added. That's not how the original photos  
9           looked.

10          We are adding them to minimize your exposure, and  
11          also to preserve the dignity of the victims in this case.

12          Now why were those photos taken? Because the  
13          women need to be sold.

14          In the United States the traffickers would then  
15          advertise the victims for commercial sex acts on a variety  
16          of online websites. Some they even created and operated  
17          themselves.

18          The very same photos that you see taken at the  
19          Toilet Studio you see them passed from trafficker to  
20          trafficker in e-mails like this one.

21          An e-mail that ended up in the hands of Defendant  
22          Michael Morris, also known as Bill.

23          And you will then see those same photos in  
24          commercial sex advertisements. Like this one.

25          This is an advertisement that sold that same

1 victim for sex on BackPage right here in Minnesota.

2 So what was the next step in the sex trafficking  
3 conspiracy? The transport.

4 The trafficking organization then flew the victims  
5 from Thailand to the United States.

6 The victims typically entered the United States in  
7 Los Angeles, California where they would await further  
8 instruction.

9 From there, the traffickers would then ship the  
10 victims to houses of prostitution across the United States,  
11 including here to Minnesota.

12 And in those houses of prostitution, the victims  
13 would be made to have sex for money during every waking  
14 hour.

15 Now I just used the term house of prostitution.  
16 What is that?

17 Houses of prostitution were the locations where  
18 the victims would stay for weeks at a time engaging in a  
19 near constant stream of commercial sex acts with sex  
20 buyers.

21 Now these houses could be high-end apartments,  
22 they could be hotels, or they could be cheap spas. They  
23 existed all over the United States. Now, we identified at  
24 least six here in Minnesota.

25 The houses of prostitution were typically

1 two-bedroom apartment rooms where each room would be  
2 occupied by a victim.

3 The victims would then pay off their bondage debt  
4 by working in the houses of prostitution.

5 While under debt, the victims did not have a  
6 choice about where they would be sent.

7 Most victims were moved around the country every  
8 two to four weeks.

9 The organization did that both to maximize profit,  
10 to take advantage of the new girl effect, but also to keep  
11 the victims isolated and from developing any connections  
12 within their community.

13 So what did these houses of prostitution look  
14 like?

15 The victim would spend her days all day, every  
16 day, having sex with a constant stream of sex buyers, one  
17 after another.

18 At the end of the day, she would sleep in the same  
19 bed where she engaged in those sex acts.

20 Now, the victims weren't kept under lock and key.  
21 And you'll hear from experts that while that does happen,  
22 it's not typical in sex trafficking cases.

23 Traffickers usually have such control over the  
24 victims that physical chains are not required.

25 That said, the victim's freedom of movement was



1 often restricted or nonexistent while under bondage debt.

2 At some houses of prostitution the victims were  
3 not allowed outside without an escort.

4 Some were allowed to leave, but effectively other  
5 than walking a few blocks on either side of the house of  
6 prostitution, never did.

7 Some victims were allowed to go to restaurants and  
8 shopping. And on occasional they did that for things like  
9 soap, and condoms and lingerie.

10 And unlike in Thailand, at the end of the day,  
11 they slept in their house of prostitution. Even if one  
12 could leave, they effectively had nowhere to go and they  
13 knew no one. They could not walk away.

14 Now, as you'll see over the course of trial, the  
15 women were posted on websites like Eros.com and BackPage.com  
16 to be purchased like any other product online, typically for  
17 around \$160 an hour. This would include a shower, oral sex  
18 and vaginal sex with a customer.

19 Of that money, \$100 went to pay down her debt,  
20 while \$60 went to the house boss for the house fees. Every  
21 day, all day. Three, five, eight, ten customers a day. Day  
22 after day, after day.

23 They were owned by the organization. Until they  
24 paid the debt they could not walk away.

25 The Defendants are charged with conspiracy to

1       commit sex trafficking.

2               So what is a conspiracy? Conspiracy is a legal  
3       term for a very simple concept.

4               A conspiracy is an agreement. Now Judge Frank  
5       will instruct you at the end of the trial that it's an  
6       agreement between two or more people to do something. And  
7       at least one of those two people takes the step to carry out  
8       that agreement.

9               Now as Judge Frank will instruct you at the end of  
10      trial, if an agreement existed and the Defendant joined in  
11      that agreement, then acts and statements knowingly done and  
12      made by any member may be considered as evidence relating to  
13      all members.

14              That is the case even though the acts and  
15      statements may have been done without the knowledge of  
16      another member.

17              That is the case even though the acts done or  
18      statements made happened before a member even joined the  
19      agreement. Because a person who joins an existing  
20      conspiracy becomes responsible for all of the conduct of the  
21      coconspirators from the very beginning.

22              Now here, five Defendants are on trial. But make  
23      no mistake, the conspiracy was much, much broader than that.

24              Some of these Defendants knew one another and had  
25      dealt with none another. Some of them didn't.

1           And Judge Frank will instruct you at the end of  
2           the trial that doesn't matter.

3           Not every member of a criminal conspiracy needs to  
4           know every other member.

5           The point is simply that they all worked together  
6           as part of an organization toward a common goal.

7           And here, what was that goal? Money.

8           And take a look at this. This was a photo from  
9           Defendant Morris' phone. A photo of a ledger. On the top,  
10          Misty.

11          To be clear, this is house money. Money that  
12          Defendant Morris was making from selling women for sex.

13          Now as Judge Frank will instruct you, a conspiracy  
14          doesn't have to be well-organized, but this one was.

15          A conspiracy doesn't have to make a lot of money,  
16          but this one did.

17          So how did the conspiracy work? The organization  
18          was made up of dozens of players, both in the United States  
19          and in Thailand, who played many different roles over the  
20          course of time.

21          Those roles were.

22          At the bottom, the facilitators and runners.

23          Next, the money launderers.

24          Still higher, the house bosses.

25          And at the top, the bondage debt holders.

1           Regardless of the role, every single member of the  
2           conspiracy worked toward a common goal, to make money.

3           Every single member is guilty of the sex  
4           trafficking conspiracy.

5           Today at this trial, there are five Defendants  
6           before you.

7           These Defendants served in the higher levels of  
8           the organization. As house bosses and as bondage debt  
9           holders.

10          You will hear evidence at this trial about these  
11          five Defendants.

12          So let's talk about them one at a time.

13          Michael Morris, known as Bill. He was a house  
14          boss in Southern California.

15          Saowapha Thinram, Kung or Nancy. She was a house  
16          boss in Austin, Texas.

17          Now, I just used a nickname for Ms. Thinram. Kung  
18          or Nancy.

19          As you just heard and you will hear throughout the  
20          trial, that these Thai nicknames can be long and difficult  
21          to pronounce. So often a Thai individual will have a Thai  
22          nickname. They might also have an American nickname.

23          And for victims of this organization, they will  
24          have working names. Names you will see in the sex ads.  
25          Names that the organization gave them to sell them for sex.

1 Now Defendant Thoucharin Ruttanamongkongul, Noi-y  
2 or Ann. She was a house boss in Chicago.

3 Defendant Waralee Wanless or Wan. She was a house  
4 boss in Dallas, Texas. And also a bondage debt holder or  
5 ma-tac. And we're going to talk a little bit more about  
6 that later.

7 And, finally, Pawinee Unpradit or Fon. She was a  
8 bondage debt holder out of Dallas, Texas.

9 So let's talk about each of these roles.

10 We're going to talk at the lowest level of the  
11 organization with the facilitators or the runners.

12 They assisted with all manner of needs. They  
13 rented houses prostitution. They moved the victims around.  
14 They assisted with the money laundering activities of the  
15 organization. They assisted with immigration fraud.

16 In some cases, some of the United States  
17 facilitators, fraudulently married members of the  
18 organization, so they could get immigration status in the  
19 United States.

20 Now you will hear from cooperators who served as  
21 facilitators and runners for the organization. And learn  
22 that some of the Defendants started in that same role as  
23 facilitators. Answering phones, scheduling commercial sex  
24 buyers and picking up money.

25 The next level up in the organization were the

1 money launderers.

2 Now this organization dealt principally in cash.  
3 The money launderers would coordinate the deposit of cash  
4 from the commercial sex trafficking acts into accounts that  
5 they controlled.

6 They would then coordinate transfers of cash  
7 across the United States and then to the traffickers in  
8 Thailand.

9 They worked to conceal the source of the funds.  
10 They would avoid bank reporting requirements. And they  
11 would use that cash to promote the commercial sex operation.

12 Money launderers served that role. They moved and  
13 concealed tens of millions of dollars in illegal proceeds  
14 over the course of this conspiracy.

15 Now the Defendants sitting before you played those  
16 roles. They played roles to assist the money launderers and  
17 to launder money for the organization.

18 Now the next level up in the organization are the  
19 house bosses.

20 The house boss is someone who owns one or more  
21 houses of prostitution, which we talked were typically run  
22 out of apartments, hotels, or spas or massage parlors.

23 Now a house boss runs the day-to-day operations at  
24 the house of prostitution.

25 They advertise the women for commercial sex acts.

1 Sometimes you'll hear that referred to as a date. They  
2 lease, or have another person lease and maintain the house  
3 itself.

4 They schedule the sex buyers. You'll hear terms  
5 like John, commercial sex purchaser, customer or client for  
6 them.

7 They coordinate with the traffickers to bring the  
8 women from Thailand. And then they ship them around the  
9 United States.

10 And most important to the organization, they make  
11 sure that most of the money paid to these women for each  
12 commercial sex act is held to pay down her bondage debt.  
13 Debts here in the United States and back in Thailand.

14 In return for their services, the house bosses got  
15 to keep a significant portion of the cash that the victims  
16 are paid for sex. Like typically a third, sometimes even  
17 more, for each sex act.

18 Now you'll hear from some house bosses at this  
19 trial. You will learn that each house boss ran the business  
20 slightly differently. But it was the same model.

21 The victims were rewarded for seeing lots of  
22 clients, getting good reviews, making lots of money to pay  
23 off their debt and to pay the house.

24 In other words, compliance was rewarded.

25 But the message was clear. Anything else would

1 result in threats, demotion and the inability to pay off the  
2 debt.

3 Now, at the top of the organization were the  
4 bondage debt holders. They principally live in Thailand,  
5 including an individual that you will hear about called M,  
6 who is one of the main traffickers.

7 M not only owned the bondage debt on numerous  
8 women, but she owned and operated houses of prostitution  
9 here in Minnesota, in Bloomington and Edina, where dozens of  
10 women worked.

11 Other traffickers, include Tu and Odd, who also  
12 recruited women and held bondage debt.

13 You will hear about these and other traffickers  
14 during this trial.

15 Now sometimes, instead of waiting for repayment,  
16 the traffickers in Thailand would sell bondage debt to other  
17 members of the organization. You'll even hear some of the  
18 other members of the organization here have held the debt  
19 directly. Those were often people who served as house  
20 bosses.

21 And as you just saw, two of the Defendants in this  
22 trial, Pawinee Unpradit and Waralee Wanless, held bondage  
23 debt of the victims.

24 Now the organization has their own word for it.  
25 It's called ma-tac, or mother of the contract. That's the



1 person who owns the debt.

2 And this, Members of the Jury, is how the  
3 conspiracy looked for the five Defendants.

4 Now, the victims would be shipped from Thailand to  
5 the United States and across the United States. They would  
6 work in many houses of prostitution, including the houses of  
7 prostitution run by the Defendants.

8 During the term of their bondage debt, their  
9 bodies were the property of the organization. The  
10 organization, these Defendants, sold the victims for sex  
11 again, and again and again. Until their debts were paid,  
12 the victims could not walk away.

13 Now let's talk about the charges. Now, the first  
14 two counts that you'll be asked to consider, the conspiracy  
15 to commit sex trafficking, Count 1, and sex trafficking,  
16 Count 2.

17 The world of sex trafficking is not a world that  
18 most people know, or frankly want to know.

19 But as you'll learn about during this trial, it's  
20 real. It is all around us, it is here in Minnesota.

21 You will hear from victims of sex trafficking, and  
22 from academic and law enforcement experts in the field.  
23 They will tell you that coercion and control takes many  
24 forms.

25 Sometimes it involves violence or physical force.

1 Sometimes it involves threats to a victim. Threats to her  
2 family. Sometimes it involves isolating victims, breaking  
3 them down mentally and physically through constant sexual  
4 abuse. And sometimes it involves overwhelming bondage debts  
5 like the type used here, by traffickers who prey upon the  
6 desperation of poor women, who exploit this desperation for  
7 profit.

8 Here, as you will learn during this trial, the  
9 organization uses the right combination of false promises  
10 and threats, and a mass of manipulated debt to keep the  
11 victims from being able to escape, from being able to walk  
12 away.

13 And whether a victim is held through debt bondage,  
14 or threats, or through physical chains, the law says that it  
15 is all the same, it is all illegal. And it is all sex  
16 trafficking.

17 At the end of this trial, Judge Frank will  
18 instruct you on that law. He will tell you that sex  
19 trafficking can happen in a lot of different ways.

20 Under the law, if a commercial sex act happened  
21 through force, threats of force, fraud, or coercion, that is  
22 sex trafficking. So I'll say that again. Force, threats of  
23 force, fraud or coercion. That is sex trafficking.

24 And to be clear, any one of those things, if you  
25 find that the organization operated by any one of those

1 means, force, threats of force, fraud or coercion, it's sex  
2 trafficking and the Defendants are guilty.

3 And in this case you will hear evidence the  
4 conspiracy used all four means.

5 So let's start with force and threats of force.  
6 It's just like what it sounds.

7 And you'll hear from the victims and experts that  
8 modern day human trafficking does not typically involve  
9 locks and chains.

10 Were there examples of force and threats of force  
11 used by the organization? Yes. You will hear testimony by  
12 some of these means.

13 Did the organization sometimes send threats? Yes.

14 Did the organization sometimes punish women? Yes.

15 Did the organization blacklist women who ran or  
16 attempted to run away? Yes.

17 Force and threats of force were mostly, though,  
18 unnecessary. They were mostly unsaid. And most victims  
19 didn't dare to run, because everyone knew what would happen  
20 if you tried.

21 This is what happened.

22 Now you are going to hear from a trafficker who  
23 sent these messages. Her name is Noon. She was business  
24 partners with one of the Defendants here, Waralee Wanless.  
25 And these are the threats that Noon made when a victim she

1 owned tried to run.

2 Threats to kill her son. Threats to get the  
3 victim back to work. Threats to do whatever it took.

4 So when necessary, does the organization use force  
5 and threats of force? Absolutely they do.

6 Now let's talk about fraud.

7 Once here the victims often found that they were  
8 brought to the United States under false pretenses.

9 In a few cases, the victims were told that they  
10 would work in restaurants or massage, having never been  
11 involved in any kind of prostitution activity before.

12 While the traffickers in Thailand usually told the  
13 victims that they would have to engage in commercial sex,  
14 the traffickers typically painted a pretty rosy picture of  
15 what life would look at like in the United States. With  
16 promises that the victim would pay off her bondage debt  
17 quickly. Would be able to support her family back in  
18 Thailand. And would generally make a better life for  
19 herself here in the United States.

20 Now the unwritten terms of the contract, however,  
21 often changed dramatically to favor the organization.

22 For instance, the victims understood when they  
23 were recruited back in Thailand that every dollar they  
24 earned would go to pay down their debt.

25 Once here, they learned of house fees, of food

1 costs, transportation fees, and other hidden costs that  
2 significantly extended the time it would take to pay down  
3 the debt.

4 There were examples of abuse of law. Now, you  
5 heard at the outset, the victims were already engaged in  
6 Visa fraud at the organization's direction to get here.

7 At some houses of prostitution, the victims'  
8 passports were taken and held until the debt was paid so she  
9 could not leave.

10 Working in the United States at all, particularly  
11 in illegal work like prostitution activity, put them in  
12 further violation of the law.

13 Now some victims will note that the organization  
14 promised to help them if they ever got in trouble with the  
15 law. That help often never came.

16 Some will note that there were threats, subtle or  
17 not, to call law enforcement or immigration.

18 And given that the victims were breaking the law,  
19 where could they turn?

20 And, finally, we're going to talk about coercion.  
21 Coercion is at the heart of this case.

22 The amount of force, threats of force and fraud  
23 that were used against the victims varied.

24 As we talked about, some victims were lied to,  
25 some were tricked, some were abused and some were

1 threatened.

2 But each and every victim shared one thing in  
3 common. The bondage debt. That's the coercion.

4 Until the debt was paid, they couldn't walk away.

5 Now you will hear Judge Frank instruct you at the  
6 end of this trial on coercion.

7 Coercion under the law is threats of serious harm.  
8 The criminal organization -- serious harm is defined to mean  
9 any harm, physical or nonphysical, including psychological,  
10 financial or reputational. Psychological, financial or  
11 reputational harm.

12 You're going to hear a lot about that at trial.  
13 Because the criminal organization used those means.

14 They controlled the victims by isolating them from  
15 the outside world.

16 During the period of bondage debt, the victims who  
17 often spoke little-to-no English were only allowed to leave  
18 the prostitution houses if they were accompanied by the  
19 house boss or the runner. People who worked for the  
20 organization.

21 Now you will hear that the commercial sex work  
22 itself was psychologically coercive. It was relentless.

23 12-hours-a-day, seven-days-a-week, sometimes  
24 having to service more than ten customers a day.

25 The victims were not allowed to say no to a

1 customer.

2 They endured STDs, painful sex. Sex with men who  
3 were physically abusive.

4 The victims typically could not take any days off,  
5 including when they were sick or when they were  
6 menstruating.

7 House bosses would simply encourage the women to  
8 endure the violence as it was happening, or they might risk  
9 bad reviews.

10 Reviews like this one. Reviews where women were  
11 talked about and treated like animals. Something to be  
12 bought and sold.

13 If the victims didn't generate top reviews, they  
14 wouldn't be booked by sex buyers, and then they risked not  
15 being able to pay off their debts and being further  
16 punished.

17 For all these reasons, the victims were  
18 incentivize to fake enthusiasm. And with the knowledge or  
19 simply the indifference of the organization, take whatever  
20 customer abuse came their way. The victims could not walk  
21 away.

22 Now you will hear from an FBI Special Agent Ryan  
23 Blay, an expert in sex trafficking.

24 He will tell you about the unique ways in which  
25 international sex trafficking organizations exploit national

1 victims, including through different means of coercion.

2 And Judge Frank will further instruct you that in  
3 deciding whether the victims were coerced, you can look to a  
4 reasonable person of the same background and in the same  
5 circumstances as that victim.

6 And you will hear from another expert, Dr. Erin  
7 Kamler, who lives in Thailand and studies human trafficking.

8 Her testimony will provide a framework to  
9 understand the background and circumstances of these Thai  
10 victims. This will include the role gender plays in  
11 Thailand, the duties a daughter has to her family, and the  
12 stigma of commercial sex work.

13 Dr. Kamler is also familiar with the culture of  
14 violence in Thailand and she will tell you about that.

15 She'll also tell you that bondage debt,  
16 particularly the amount used by this organization between  
17 \$40,000 and \$60,000 U.S., that's far outside the reality of  
18 the earnings of any of these Thai women, particularly women  
19 from rural areas in Thailand with limited education.

20 They could not earn that kind of money in dozens  
21 of years in Thailand, if at all.

22 Force, threats of force, fraud and coercion.

23 Now that's a lot of law. But at the end of the  
24 day, the main question before you will be pretty simple.

25 Could the women walk away? Of course not.



1           How will you know that this is sex trafficking?  
2           That until their bondage debts were paid, the victims were  
3           not free to walk away from this organization.

4           First and foremost, you will know it from hearing  
5           from the victims.

6           Each victim's story will be different, some were  
7           lied to, some were tricked. Some were abused, and some were  
8           threatened. But each one shared something in common, they  
9           couldn't walk away. From the victims, you will know that  
10          the Defendants are guilty.

11          Now you will hear from Sai.

12          Sai got involved in the organization after her  
13          father got ill and had medical bills. Sai had earned a  
14          massage license in Thailand and understood that she would be  
15          able to do the same work in the United States but make more  
16          money for her family.

17          Sai met with a trafficker, someone named Tu, in  
18          Thailand. And the organization then helped her prepare a  
19          false Visa to come to the U.S.

20          When she got here, the terms of the debt bondage  
21          contract were explained. It was far different than what Sai  
22          had been told and understood she would do back in Thailand.  
23          She did not even understand that she would have to engage in  
24          commercial sex for the organization. And she knew nothing  
25          about house fees, let alone any other type of fee.

1           Once here, she was stuck.

2           She had to endure multiple sex acts each and every  
3           day for several years trying to pay off her bondage debt.

4           It wasn't until arrests were made in this case  
5           that Sai was able to escape.

6           Now you will have a chance to meet Sai, and hear  
7           her story and see her handwritten ledger. The ledger you  
8           see right here.

9           This is the ledger where she kept track of each  
10          sex act and each financial transaction to make sure she  
11          didn't have to have sex more than one time than necessary to  
12          pay off the bondage debt to the organization.

13          You will see in Sai's ledgers that she was  
14          trafficked to Michael Morris -- Uncle Bill's house. And you  
15          will see a picture of Sai found in Defendant Thinram's  
16          phone. And that's Sai there. She's on the left in the navy  
17          T-shirt.

18          You will hear from Amy.

19          Amy was raised by her mother and had to quit  
20          school because she couldn't afford to continue.

21          She met a trafficker named Odd who promised her  
22          that she could make more money in the United States,  
23          understanding that she'd have to do work as an escort.

24          Odd and others helped Amy with the paperwork. But  
25          once she got to the United States, everything was different.

1 She had to pay various fees and have sex with up  
2 to ten men a day, everyday. Her passport was held.

3 She got sexually transmitted infections and became  
4 less valuable to the organization.

5 Things got so bad for Amy that she did what very  
6 few victims attempted to do. She tried to escape twice.

7 The first time Odd sent a man in Thailand to  
8 inform Amy's mother that Amy owed a debt. It worked. Amy  
9 went back to Odd.

10 The second time after getting sick, Odd sent four  
11 men to Amy's mother's home. They threatened to break in and  
12 to hurt Amy. So Amy went back to Odd and finished paying  
13 off her debt.

14 This is Amy here being trafficked by the  
15 organization.

16 It took more than nine months for Amy to pay off  
17 the debt. Until then, she could not walk away.

18 Now you will also hear from Jenn. Jenn was  
19 desperate. After her marriage ended, she had to sign over  
20 custody to her daughter who had just been born in 2011.  
21 Jenn met a trafficker Ton, who promised her a better life  
22 and that she could make money in the United States.

23 Once she got to the United States, M directed her  
24 to one of the houses of prostitution she operated here in  
25 Minnesota.

1           It was then that M explained to Jenn the terms of  
2           the bondage debt contract. Jenn was isolated at some of the  
3           houses of prostitution. She could barely leave, even to  
4           take out the trash. Jenn endured violent commercial sex  
5           purchasers.

6           This is Jenn being sold to men right here in  
7           Minnesota. It took four months for Jenn to pay off the  
8           debt. Until then, she could not walk away.

9           Sai, and Amy, and Jenn, and many, many other women  
10          like them were brought to the United States.

11          Their bodies were sold hour after hour, day after  
12          day, month after month, to make money for the criminal  
13          conspiracy.

14          Until their debts were paid, they couldn't walk  
15          away.

16          Now you'll know the Defendants are guilty from the  
17          victims. And legally that would be more than enough  
18          evidence to convict them.

19          But there's so much more.

20          You won't just hear from the victims during this  
21          trial, you'll also here from people who participated in it  
22          with these Defendants.

23          And you'll hear again and again this conspiracy  
24          didn't just involve these five Defendants.

25          It involved many people across the United States

1 and in Thailand serving at all levels. The bondage debt  
2 holders, the house bosses, the money launderers, and the  
3 facilitators.

4 Now some of these people are on trial here. And  
5 some were charged and have pled guilty and agreed to  
6 cooperate with the United States by telling the truth about  
7 their roles and the roles of others in the conspiracy.

8 Some of these cooperators may have started as  
9 victims themselves and risen up and then did the exact same  
10 thing to women who followed, profiting from their  
11 exploitation.

12 You will hear from the cooperators. And they will  
13 tell you exactly what they did. How they worked with these  
14 Defendants to make money by selling the bodies of the  
15 victims for sex.

16 But there's more. You'll also see evidence of  
17 exactly what the Defendants did, how they carried out their  
18 scheme.

19 You will learn that many search warrants were  
20 executed in the course of this case. And what was found?  
21 Boatloads of cash.

22 At Defendant Morris' house, more than a quarter  
23 million dollars of cash rolled up and hidden in soup cans.

24 What else will you see? Other items seized by the  
25 Defendants, tools of the trade. Dozens of digital devices,

1 cell phones chalk full of photos, text messages and ledgers.

2 Ledgers like the one here showing the house fees  
3 and the money made.

4 Text messages, like this one here, between  
5 Defendant Michael Morris and a Chicago house boss. "Let's  
6 talk about the girl that is here now. Where are you sending  
7 her next? I have to pay her for the new girl. Let me  
8 confirm. Talk with her owner."

9 Work schedules like this one. This is a schedule  
10 found in Defendant's Thinram's phone, showing exactly where  
11 the victims were rotated.

12 And leases for the houses of prostitution. Leases  
13 like this one for an apartment in Chicago.

14 Now you'll also see a lot of e-mails. You see the  
15 conspiracy communicated quite a bit through e-mail. Both  
16 because of the need to send photographs throughout the  
17 organization, and because of the time and geographic  
18 differences between the house bosses and others here and the  
19 traffickers back in Thailand.

20 Here are the e-mail accounts of the Defendants.  
21 And here are the a few of the e-mails of members of the  
22 greater conspiracy, including the traffickers in Thailand.

23 And Members of the Jury, it's in the e-mails that  
24 they were not trying to hide, through these e-mails the sex  
25 trafficking is entirely obvious.

1                   What do I mean? Let's take a look.

2                   Passport photos of victims.

3                   Itemized expenses with the remaining balance.

4                   Photos from the Toilet Studio to be used in the  
5 sex ads.

6                   And e-mails identifying that there are new girls  
7 available.

8                   By the end of this trial, it will be completely  
9 clear, the victims could not walk away. Not without risking  
10 financial ruin, reputational harm, immigration consequences,  
11 and possibly even the safety of their families back in  
12 Thailand.

13                  And under the law, that makes them victims of sex  
14 trafficking.

15                  The Defendants are also charged with money  
16 laundering, and let's talk about that for a minute. It's a  
17 lot simpler then it sounds.

18                  For example, if you commit a crime from which you  
19 derive money, and you spend illegal proceeds on things that  
20 promote your underlying crime, you've committed money  
21 laundering.

22                  Now in this case, you're going to see bank  
23 records. Hundreds of bank accounts in Defendants' names and  
24 others who used to conceal and promote the business.

25                  You'll see some of those accounts, not all of

1       them.

2               You'll hear about what the Defendants did with the  
3       money. That they sent it to Thailand. They spent it on  
4       themselves. And that they used it to further promote the  
5       business.

6               They paid for leases for the houses of  
7       prostitution, airline tickets, sex ads, condoms, et cetera.

8               That is why the Defendants are also charged with  
9       conspiracy to commit money laundering.

10              You know, the money's not the question. There  
11       will be no question in your minds that the Defendants made  
12       money from their illegal business and spent money to promote  
13       their illegal business.

14              The money is the why.

15              The why hundreds of women who were brought here to  
16       be bought, sold, traded and treated like cattle. It was for  
17       the money.

18              Now I anticipate that you may hear from the  
19       Defense that these women were just prostitutes. Prostitutes  
20       in Thailand and continued to be prostitutes after they came  
21       to the United States. And such activity was no big deal for  
22       these kind of women. That this wasn't sex trafficking  
23       because the victims signed up for it.

24              That this wasn't sex trafficking because they  
25       bargained for it, because they wanted it.



1           Maybe they had a bad experience or two with a  
2           customer, but that's the nature of the business.

3           These women are prostitutes, that's what they do.

4           Now, to be clear, if that's the Defense, the  
5           Defendants are guilty of Count 3, the transporting the women  
6           across national and state borders to be sold for commercial  
7           sex, to engage in prostitution.

8           If that's the Defense, it means the Defendants are  
9           also guilty of Count 4, conspiracy to commit money  
10          laundering by using the proceeds from that to further  
11          support their business.

12          And if that's the Defense, it means the Defendants  
13          are also guilty of Count 5. Using the internet and cell  
14          phones to make these women available for commercial sex.

15          But the evidence will show you that what these  
16          Defendants did, what these victims endured, was well beyond  
17          the violations charged in Counts 3 through 5.

18          And what you will see at trial, what you will hear  
19          from the experts, is that is entirely consistent with sex  
20          trafficking when they recruit victims who are the most  
21          valuable in society.

22          You see, these traffickers wouldn't working for  
23          American women for women with options. They wanted the most  
24          desperate. Women who were poor. Uneducated. Women who  
25          were supporting their families. Women, who once they got to

1 the United States, didn't speak the language. Who were  
2 afraid to reach out to law enforcement. Who took being  
3 sexual objects for American men as their lot in life. Who  
4 were willing to bear their suffering. These victims were  
5 sought out precisely for their vulnerabilities.

6 And once here in the United States, if there was  
7 any fight left in them, the organization broke their  
8 spirits.

9 Imagine being in the house of prostitution. The  
10 door opens. The person on the other side of the door is a  
11 stranger. The victim only knows one thing about him. She's  
12 about to have sex with them. She must have sex with him.  
13 And if that's not enough, she has to pretend to like it.  
14 And when she's done, the next man comes. And the next, and  
15 the next and the next.

16 And then that night she doesn't go home, because  
17 that room is her home. At least for the next two weeks.  
18 She sleeps in the same bed where she just had sex again, and  
19 again and again. And then she wakes up the next morning and  
20 it happens again.

21 It is hard for many of the victims to talk about  
22 what they endured. But you will hear about that first day.  
23 About how it broke so many of them. How they just went  
24 numb.

25 And you'll hear from the experts, this is exactly

1       how sex trafficking works. That traffickers will rely on  
2       the near constant and sometimes abusive sex acts as a form  
3       of the psychological coercion.

4               What you will learn over the course of the trial  
5       is that the evidence against the Defendants -- that they and  
6       the others who participated in the sex trafficking  
7       conspiracy, that evidence is simply overwhelming.

8               Over the course of the trial, you will learn that  
9       the conspiracy applied the necessary coercion to keep the  
10      victims in their place.

11              Some needed more, some less. But in each  
12      circumstance it was just enough.

13              The victims could not say no to a strange man at  
14      the door. They could not go to the police. They could not  
15      leave. Everyone knew that.

16              Could they walk away? No one could walk away.

17              And the ones that dared to try to escape, well,  
18      they didn't walk, they ran. And that's precisely what the  
19      organization called them. Runaways.

20              Now here are the text messages between Defendant  
21      Morris and a Chicago house boss.

22              Between days 1 to 15 of July. "Katie cancel. She  
23      run away. Sorry. This girl. Remember? Yes. I remember  
24      her. I know she run away from you."

25              At the end of the trial we will ask you for the

1       only just and fair verdict.

2               That is guilty on all counts.

3               THE COURT: We'll take an afternoon recess here,  
4       Members of the Jury, 15 minutes.

5               We'll open the door here for you. And we'll stand  
6       in recess for 15. Please rise for the jury.

7               (Jurors excused at 2:12 p.m.)

8                               **REPORTER'S CERTIFICATE**

9  
10  
11               I, Lynne M. Krenz, do certify the foregoing  
12       pages of typewritten material constitute a full, true and  
13       correct transcript of my original stenograph notes, as they  
14       purport to contain, of the proceedings reported by me at the  
15       time and place hereinbefore mentioned.

16                               /s/Lynne M. Krenz  
17                               Lynne M. Krenz, RMR, CRR, CRC

18       Date: December 3, 2018  
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